

ARTICLE APPEARED  
ON PAGE B-11WASHINGTON POST  
23 July 1981**JACK ANDERSON****CIA Says China  
Has Sent A-Fuel  
To South Africa**

Top-secret CIA reports claim, astonishingly, that Red China has been shipping weapons-grade uranium to South Africa. CIA also reports that China is selling weapons-grade uranium to a Latin American country, probably Argentina.

Last year I reported that Israel, South Africa and Taiwan were secretly cooperating on the development of a nuclear bomb. That the Communist Chinese would be dealing with South Africa in the same way as Taiwan is surprising enough; that it would do so in secret, while regularly criticizing the United States for nuclear proliferation and ties to Taiwan, is incredible.

Diplomatic sources say that Secretary of State Alexander M. Haig Jr. was concerned about the CIA reports before his trip to China, and that the issue was raised with the Peking leadership.

The reason for Red China's uranium trade with South Africa, intelligence analysts have concluded, is mutual benefit. The South Africans have plenty of uranium ore; the Chinese have the enrichment plants to turn the raw product into weapons-grade uranium, which South Africa doesn't have.

Red China's meteoric rise as a nuclear power is chronicled in top-secret CIA reports shown to my associate Dale Van Atta. According to one of the intelligence estimates, China has spent more than \$4.5 billion on nuclear weapons development since the mid-1950s.

"Slightly more than half the total expenditures have gone into the production of nuclear materials," one CIA report stated. "Basic nuclear research, development, fabrication and testing account for the remainder."

China's nuclear progress made its greatest advances between 1964 and 1970, according to the CIA. "China progressed from its first fission test in 1964 to the successful detonation of a thermonuclear device in December 1966," one report says, adding: "The U.S.S.R. took four years and France more than eight years to make a similar progression."

What makes the Chinese advances particularly noteworthy is that the work was unaffected by the political unrest that reduced the country's economy to near-chaos.

"The Chinese nuclear program has moved forward in spite of internal political upheavals, like the Great Leap Forward from 1958 to 1960 and the Cultural Revolution from 1966 to 1969," the CIA reports. "The nuclear program has had the highest priority, and China's rapid progress reflects the fact that it was protected from political turmoil."

Another CIA report states that "China's nuclear program has absorbed a large portion of the country's best manpower, machinery and materials." It adds that although the program takes only about one-fourth of 1 percent of China's gross national product, "it constitutes a substantial cost in foregone opportunities for industrial and technical advances in other fields."

China's two most secret nuclear plants went into full operation in 1964, the CIA reports. These are a uranium ore concentration plant at Hong-yang and an enrichment plant at Lan-chou. So far, the CIA reports, there is no evidence that the Chinese are shipping superior, weapons-grade plutonium to either South Africa or the Latin American country.

Footnote: A spokesman for the Chinese Embassy here vehemently denied the reports of nuclear trade with South Africa. "We have no relations with them," he said. "We have no business with them. This is pure fabrication."

**Watch on Waste:** The Nuclear Regulatory Commission spent more than \$22 million for an automated storage and retrieval system for its paperwork. But a recent audit showed the fancy file system has an incomplete data base and is used by fewer than half the agency's workers, possibly because the equipment is difficult to operate.